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**Solar Alliance**  
**Comments on Arizona Public Service Company's SC-S Commercial**  
**Eclectic Supply/Purchase Agreement**

(E-01345A-05-0816) E-01345A-05-0827  
E-01345A-05-0826

The Solar Alliance conditionally supports the approval of the SC-S Commercial Electric Supply/Purchase Agreement recently proposed by Arizona Public Service Company (APS).

Currently, there is no Arizona Corporation Commission approved purchase agreement that would support the interconnection of Distributed Generation (DG) systems over 100kW of capacity in APS service territories. Customers of APS wishing to install commercial DG systems must apply for the approval of a one-off special contract rate for each system over 100 kW. These special rates must be approved in an open meeting, in front of the full Commission. Frito Lay recently went through this process to obtain approval of a special rate for a 201 kW solar system on the roof of a Frito-Lay warehouse in Phoenix. APS indicates that it expects applications for as many as 12 similar systems over 100 kW in 2008.

Though the Solar Alliance looks forward to the implementation of an interim Supply/Purchase Agreement, we remain committed to working with APS and commission staff to develop a commercial net metering system up to 2 MW as well as solar friendly commercial rate structures. The Solar Alliance also takes issue, in principle, with the SC-S standby service fee 7.3.2. This fee is a per kWh charge for every kWh generated by a solar system. Though the fee is small we feel that inclusion of this fee is unnecessary, discourages solar, and does not take into account known benefits of distributed solar to the grid.

While the Solar Alliance does not believe that SC-S is a viable long term solution we do recognize it to be a necessary short-term step and support its implementation. We also appreciate APS's rapid and proactive efforts to develop an interim plan.

Solar Alliance

Arizona Corporation Commission

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